

[CITY OF NEWPORT](#)

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CITY OF NEWPORT, OREGON

REQUEST FOR PROPOSALS

for

CONSULTING SERVICES TO REVISE THE CITY OF NEWPORT'S SYSTEM DEVELOPMENT CHARGE METHODOLOGY AND PERFORM A CONSTRUCTION EXCISE TAX FEE STUDY

PROPOSALS DUE: August 5, 2016, by 5:00 pm

SUBMIT PROPOSAL TO:

**Derrick I. Tokos, AICP
Community Development Director
City of Newport
169 SW Coast Highway
Newport, Oregon 97365**



CITY OF NEWPORT, OREGON

Request for Proposals

Consulting Services to Revise the City of Newport's System Development Charge Methodology and Perform a Construction Excise Tax Fee Study

1. INTRODUCTION

The City of Newport is seeking proposals from qualified individuals, firms, teams (hereinafter referred to as Consultant), with demonstrated experience in evaluating and updating municipal System Development Charge (SDC) methodologies and performing fee studies.

2. PROJECT OVERVIEW

The purpose of this project is to revise the City of Newport's 2007 System Development Charge Methodology to (a) ensure that formulas used to establish SDC fees accurately account for the impact new development has on the capital system and are proportional to the scale of a project; (b) confirm that growth projections are reasonable; (c) promote affordable housing; (d) update capital project lists to align with current facilities plans and confirm that projects listed are likely to be needed in a 20-year planning period; and (e) gauge the cumulative impact of proposed SDC rate adjustments to ensure that they are in line with other similarly situated communities. All work is to conform to statutory requirements for SDC methodologies outlined in ORS 223.297 to 223.314

In addition, Consultant is to assess likely revenues and the cumulative impact to development fees should the city elect to impose a residential construction excise tax of 1% of permit valuation and a commercial/industrial excise tax ranging from 1% to 3% of permit valuation. The work must take into consideration parameters for such taxes set forth in SB 1533, adopted in the 2016 legislative session, and shall provide recommendations for how the City could structure developer incentives required as part of the legislation to offset additional costs attributed to the tax.

3. DRAFT SCOPE OF WORK

This draft scope of work represents the City's best estimate of the work needed to accomplish the objectives for this project. The City is open to alternative approaches that may deviate from this scope to better meet project objectives.

A. Project Kick-off. Staff will provide Consultant with relevant background information in an electronic format, where available. This may include, but is not limited to:

1. 2007 System Development Charge Methodology
2. SDC Rate Adjustment Resolutions and Worksheets
3. Construction Excise Tax Resolutions and Worksheets (Schools)
4. Historical Permit Data
5. Transportation System Plan (2012)
6. Water System Master Plan (2008)
7. Wastewater System Master Plan (draft)

8. Stormwater Master Plan (draft)
9. Airport Master Plan (draft)
10. South Beach Urban Renewal Plan
11. Newport Northside Urban Renewal Plan
12. McLean Point Urban Renewal Plan

Consultant shall review the background materials and participate in a conference call with City staff to clarify study objectives and confirm key policies and background information that could inform the work. At this meeting, consultant and staff will also confirm the range of key stakeholders that will need to be engaged, public outreach opportunities that will be pursued, and any other issues necessary to clarify the scope and schedule.

Product: Memo documenting meeting outcomes and final scope of work.

- B. Overview of SDC Laws and Methodology Alternatives. Consultant is to attend an advisory committee meeting to provide a general overview of SDC laws and methodology alternatives, project objectives, and the timeline for completing the work. A portion of the meeting agenda should be dedicated to soliciting feedback from the group on key issues they want to see addressed within the scope of the project. City staff has prepared summary material describing the City's SDC program, and that information would be shared with consultant.

Product: PowerPoint presentation or equivalent.

- C. Confirmation of Eligible Capital Projects. Consultant, with the assistance of City staff, shall identify capital projects in adopted facility plans that are eligible for improvement or reimbursement system development charges. Planning level cost estimates for eligible projects are to be escalated as appropriate. From that list, a recommended set of projects will be identified considering alternative funding sources and the likelihood that the work will be performed in a 20-year planning period. Lists will identify the percentage eligibility of a project with assumptions used to establish the percentages outlined in narrative form. Consultant to present the information to an advisory committee to confirm or adjust the recommendations.

Product: Capital project eligibility lists with text descriptions and/or maps sufficient to accurately describe the location and extent of the public improvements.

- D. SDC Methodology Alternatives Analysis. Consultant shall prepare a memo assessing the City's current Equivalent Dwelling Unit (EDU) based methodology and identify where changes could be made to promote affordable housing and ensure that fees charged are proportional to the scale of a project. The report should also review SDC credits the city provides and identify changes that could be made to ensure that they accurately account for pre-existing impacts and can be reasonably administered. Consultant to present the information to an advisory committee and solicit feedback on preferred alternatives.

Product: Memo outlining findings of consultants' review of the existing SDC methodology with recommendations for potential revisions.

- E. Construction Excise Tax Assessment. Consultant to prepare a memo assessing the likely revenues and the cumulative impact to development fees should the city elect to impose a residential construction excise tax of 1% of permit valuation and a commercial/industrial excise tax ranging from 1% to 3% of permit valuation. The work must take into consideration parameters for such taxes set forth in SB 1533, adopted in the 2016 legislative session, and shall provide recommendations for how the City could structure developer incentives required as part of the legislation to offset additional costs attributed to the tax. The memo shall also consider the cumulative impact of a tax and any proposed SDC rate adjustments to ensure that they are in line with other similarly situated communities. Consultant to present the information to an advisory committee, solicit feedback on a preferred approach, and make recommended changes to the document.

Product: Memo outlining options for how the city could structure a construction excise tax and developer incentives with a “total cost” comparative analysis to other similarly situated communities.

- F. Draft Report. Consultant to prepare a draft update to the City’s System Development Charge Methodology that incorporates the information and recommendations derived from the previous tasks. The document will then be circulated to the advisory committee and consultant will attend a meeting with the committee to obtain feedback on the draft document.

Product: Draft update to the City’s System Development Charge Methodology.

- G. System Development Charge Worksheets. Consultant shall develop automated spreadsheets or similar tools to assist City staff in adjusting SDC eligible project lists and associated charges as those lists may be amended from time to time as projects are completed or new project priorities are identified. Additionally, Consultant shall prepare a spreadsheet or similar tool that City staff and members of the public can use to conveniently calculate estimated system development charge costs and excise tax fees attributed to a planned project.

Product: Spreadsheets or similar tools to assist with future updates to the SDC methodology and in calculating SDC and excise tax fees attributed to new development.

- H. Final Reports. Consultant shall prepare a final draft of the updated System Development Charge Methodology. The report must summarize the public engagement process, alternatives considered, and the rationale for recommended revisions. The report shall also be formatted such that the graphics and text can be readily incorporated by the City into other planning documents. City staff will prepare documents related to the adoption of the methodology; however, Consultant shall be available to provide at least one round of edits to address feedback received from the Newport Planning Commission and City Council.

Product: An electronic copy and six (6) hardcopies of the final report.

Consultant shall coordinate as needed with City staff throughout the process. Unless otherwise specified, it is the City’s preference that work product be delivered in an electronic format. Should Consultant develop any GIS data layers in conjunction with this project, such data shall be provided to the City with delivery of the final report. It is the City’s expectation

that Consultant will be able to utilize technical data from City's existing facility plans, where available, to inform the development of planning level cost estimates.

4. PROJECT SCHEDULE

Completed by end of February 2017 so that ordinances can be considered and adopted, as needed, to inform the preparation of the fiscal year 2017/2018 budget process.

5. TASKS TO BE PERFORMED BY CITY

City staff will coordinate advisory committee meetings, and prepare meeting summaries, outreach materials, and implementation ordinances. Staff will also provide Consultant with technical assistance at all stages of the project.

6. BUDGET AND SOURCE OF FUNDS

A total of \$30,000 is budgeted for this project. Of that amount, \$25,000 is from System Development Charge Funds set aside for this update and \$5,000 is from the General Fund.

7. PROJECT PROPOSAL REQUIREMENTS

Proposals should be organized in the following format:

- A. Cover Letter. Provide a cover letter, signed by a duly constituted official legally authorized to bind the proposer to both its proposal and cost estimate. The cover letter must include the name, address, and telephone number of the proposer submitting the proposal and the name, title, address, telephone number, fax number, and email address of the person, or persons, to contact whom are authorized to represent the proposer and to whom correspondence should be directed.
- B. Project Approach and Understanding. Provide a detailed description of the Consultant's proposed approach demonstrating how the City's objectives will be accomplished as outlined in the above draft Scope of Work. Clearly describe and explain the reason for any proposed modifications to the methods, tasks and products identified in the draft Scope of Work outlined in Section 3 of this RFP.
- C. Project Organization and Team Qualifications. Identification of all services to be provided by the principal firm and those proposed to be provided by subcontractors and information regarding the firm(s) assigned to the project including size of firm(s) and overall capabilities of each as considered relevant to this project. Provide information regarding all personnel assigned as team members to this project including names, prior experience, position, role and level of responsibility in the project. The City reserves the right to reject any proposed firm or team member or to request their reassignment. The project manager shall be identified by name and shall not be changed without written approval by the City. The principal consulting firm must assume responsibility for any sub-consultant work and shall be responsible for the day to day management and direction of the project.
- D. Project Timeline. Proposed timeline for accomplishing the project, including critical paths and milestones, and specific consulting staff by task based on the draft Scope of Work.

- E. Project Coordination and Monitoring. Describe the process for ensuring effective communication between the Consultant, Stakeholders, and the City, and for monitoring progress to ensure compliance with approved timeline, budget, staffing and deliverables.
- F. Proposed Cost of Services. Provide a budget summary broken down by task, time, personnel, and hourly rate, number of hours and cost for each team member including those employed by subcontractors. Fee information should be formatted to correspond to tasks identified in this RFP; however, this format may be modified to suit the consultant's approach to this project. The summary shall include a budget for reimbursable expenses. The final cost of consulting services may be based on a negotiated detailed scope of work. The budget summary shall also include all required materials and other direct costs, administrative support, overhead and profit that will apply.
- G. Similar Project Experience. Specific examples of comparable work which best demonstrate the qualifications and ability of the team to accomplish the overall goals of the project under financial and time constraints. Provide names, addresses and telephone numbers of clients associated with each of these projects. Through submission of a proposal, all respondents specifically agree to and release the City of Newport to solicit, secure and confirm information provided.

6. SELECTION OF PROPOSALS

Proposals will be evaluated based on the following criteria:

Thoroughness, quality and conciseness of submittal.	20 pts.
Project understanding and approach for accomplishing the City's objectives.	20 pts.
Qualifications of the project manager and project team, and proven ability to successfully complete projects of similar scope.	20 pts.
Proposed cost of services.	15 pts.
Ability to complete the Scope of Work within six (6) months of when the consulting contract is signed.	10 pts.
References from past and present clients.	15 pts.
Total	100 pts.

7. PROPOSAL SUBMITTAL AND SCHEDULE

Parties interested in submitting a proposal should contact Derrick Tokos, Newport Community Development Director, to indicate their interest in submitting a proposal and specify the manner to receive any amendments to the RFP.

Four (4) copies of the proposal shall be submitted to the City of Newport, Attention: Derrick I. Tokos, AICP, Community Development Director, 169 SW Coast Highway, Newport, Oregon 97365, **no later than 5:00 P.M., August 5, 2016.** Envelopes should be marked: "Newport System Development Charge and Construction Excise Tax Study."

Proposals must be submitted in a sealed envelope. All proposals must be completed in ink or typewritten. Facsimile proposals will not be accepted. Questions may be addressed to Derrick I. Tokos, AICP, Community Development Director, (541) 574-0626, d.tokos@newportoregon.gov.

Any amendments to this RFP will be in writing and will be issued to all persons or businesses that have indicated an interest to receive RFP amendments. No proposal will be considered if it is not responsive to any issued amendments.